May 4, 2021

Responses of Greenwood County First Steps (GCFS) and Abbeville County First Steps (ACFS)

ACFS Executive Committee and Board met on April 29, 2021 and GCFS Board met on May 3, 2021 to discuss the items listed in the April 1, 2021 requests from South Carolina First Steps State Office (SCFS)

Actions that need to be taken for or by Greenwood and Abbeville County First Steps

Elimination of any relationship between Social Change Initiative and both Greenwood County
First Steps and Abbeville County First Steps. This would include modifying the lease and any
other arrangement necessary to extract SCI from these relationships.

### Response:

Both ACFS and GCFS believe eliminating the relationship with Social Change Initiative (SCI) including the lease agreement would leave ACFS and GCFS without a concrete location for operations and would leave the citizens of Abbeville and Greenwood substantially underserved. <u>However</u>, both boards have agreed to begin the process of unwinding the lease relationship as well as the in-kind contribution issues for GCFS. The unwinding of the lease agreement may take some time considering the legal ramifications of the lease agreement and the arduous burdens of moving.

2. Elimination of double fringe benefit payments for the fringe costs of Michael Gaskins. We support the salary and fringe arrangement for GCFS staff through the Abbeville County School District, but any salary and fringe cost, should be covered through contractual arrangement between GCFS and ABFS. There may be a contractual arrangement that could be used to ensure that no staff members lose health insurance and retirement benefits if possible to retain.

#### Response:

Both ACFS and GCFS believe that Mr. Gaskin should be eligible and is entitled to earn his respective pay and benefits as have been previously agreed upon by both boards of directors. He is an employee of ACFS and all employees are offered benefits through the school district. He is not a contractor, but an employee. ACFS and GCFS are aware of the dual employee arrangement and are in agreement to continue the same. If the SCFS State Office would prefer that these agreements be in any further written agreement GCFS and ACFS will be happy to coordinate with SCFS to facilitate that.

3. GCFS and ACFS should develop an accounting- based cost allocation method for shared costs for their shared facility. First Steps staff are available to assist to ensure that the method meets appropriate costing methodology.

#### Response:

ACFS and GCFS believe that this has already been completed and it has been approved by the State Office.

4. Both GCFS and ACFS implement comparable compensation studies prior to any pay changes for their executive directors according to the bylaws of both organizations. Any compensation changes should include that study and rationale. SC First Steps Financial Managers can assist with providing this information.

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#### Response:

Please provide authority wherein the State Office can dictate what salaries are approved for employees of the local partnerships. GCFS and ACFS are not opposed to participating in compensation studies however they would prefer that this item not be required at this time based on the agreement to discontinue relationship with the SCI.

5. GCFS and ACFS will implement the requirements as specified in the Grant Agreement related to dual employees. All employees will complete weekly time sheets documenting the actual time worked to include date, time starting and ending, daily and total hours, signed by both the employees and their supervisor. These will be forwarded to Manley Garvin twice a month. Only the hours documented on these time sheets will be paid.

#### Response:

ACFS and GCFS have already implemented this practice.

6. GCFS and ACFS will both receive an in-depth review for their financial and program audits for the next two years.

#### Response:

ACFS and GCFS have been subject to audits for several years and welcome the audit process.

7. All Board members of GCFS and ACFS, along with their executive directors and staff, will receive required Conflict of Interest Training from SC First Steps.

#### Response:

ACFS and GCFS boards would request that this item be waived in consideration of the fact that they are discontinuing the contractual and in-kind relationships with SCI. GCFS is establishing an agreement with an CPA to provide a training on in-kind and match contributions "What is in-kind and match?"

8. Any, and all conflicts of interest between GCFS, ACFS and SCI need to be eliminated according to the requirements specified in the Grant Agreement.

## Response:

ACFS and GCFS boards would request that this item would be unnecessary in consideration of the fact that they are discontinuing the contractual and in-kind relationships with SCI. If SCFS could state specifically what other conflicts of interest are present the local partnerships would be glad to evaluate and address. With ACFS, Michael Gaskin provides workshops, he is an employee of ACFS just as a parent educator, this should not be a conflict of interest with the grant agreement as these workshops are provided after hours. Also, the Greenwood County First Steps Full Partnership Board is requesting OFS to come to Greenwood County to discuss and explain what the grant agreement entails, and to enhance their understanding of the document.